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# Business SA submission: Joint Standing Committee on Regional Migration

20 September 2019

## Executive Summary

- South Australia’s low population growth rate makes the state more reliant on skilled migrants to fill vacancies, particularly in regional centres. The ability of South Australian businesses to attract migrant workers is critical to the economic viability of the State and of South Australian businesses who rely on skilled migrants to maintain and expand existing operations.
- The approach to skills shortages must be nuanced and specific to regional areas. National data is not able to provide a true indication of skills shortages and leaves businesses that have unfillable specialist roles or roles that are difficult to fill in that specific region, with the inability to grow and develop.
- The Federal Government should reconsider its fee structure for the Skilling Australians Fund, as well as the Temporary Skilled Migration Income Threshold, as they negatively impact South Australian businesses and make it less financially viable for them to bring in skilled migrants.
- Greater focus needs to be given to building a sense of community in regional areas to ensure migrants settle in the areas permanently. Statistics show that a majority of migrants gravitate back towards the major cities by 5 years into their move to Australia. Having a job and economic security is not enough to ensure permanent settlement and programs need to be put in place to ensure migrants are integrated and welcomed into local communities.

## Introduction

Business SA, South Australia's Chamber of Commerce and Industry, was formed in 1839 and has over 3,000 members across a wide range of industry sectors, from micro businesses right through to listed companies. We are a not-for-profit business membership organisation which not only works on behalf of members, but for the broader business community and in pursuit of economic prosperity for both South Australia and the nation. Business SA is also a founding member of the Australian Chamber of Commerce and Industry (ACCI) and on national issues such as migration, we work through ACCI to advance the interests of businesses across the nation.

This submission does not set out to provide detailed commentary on all of the terms of reference but will cover issues most relevant to the Business SA membership and the State of South Australia.

Business SA has long operated its own migration service which provides us with direct experience on the workings of the South Australian market for migrant labour. Business SA's 'Move Work Stay' provides services including general skills migration, business investor visas, family visas, student and temporary graduate visas, guardian visas, resident return and bridging visas.

The entire state of South Australia is designated a regional and low-population growth metropolitan area. This inquiry, which is investigating regional migration is relevant to South Australia as a whole. However, it has a greater importance to non-metropolitan South Australia.

South Australia continues to have the lowest population growth of all the states, including Tasmania. The lack of population growth is preventing South Australia from reaching its economic capacity and should be a concern not only for South Australians but at a national level. While the eastern states are concerned about over-population and infrastructure, South Australia is crying out for greater investment and population growth. This lack of population growth has brought on significant skills shortages across several industries and the state is now dependent on skilled migrants to fill these vacancies.

According to the ABS, South Australia's long-term population forecast is bleak. The current population of 1.7 million people is projected to increase by between 0.1% and 0.9% per year, reaching a population of between 1.8 million and 2.7 million in 2066. This low growth rate is especially concerning for non-metropolitan South Australia, given the small amount of predicted growth is projected to be driven by growth in Greater Adelaide, not the regions. At 30 June 2017, Greater Adelaide had 77% of South Australia's population. This proportion could reach approximately 80% by 2042 creating an even greater skills shortage in areas outside of Adelaide. Outside of greater Adelaide, South Australia is projected to have very low growth up to 2027. The highest projected non-metropolitan population for 2027 is an increase from 389,500 in 2017 to 406,900, and causing concern was the lowest projected population is almost flat growth to 389,900.<sup>1</sup>

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<sup>1</sup> Australian Bureau of Statistics report <https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/3218.0>

South Australians are leaving the State, and over the period between the March quarter 2008 and March quarter 2018 net interstate migration was -41,527; more people left South Australia for another State/Territory than arrived.<sup>2</sup> The small amount of growth that South Australia experienced during this period was predominantly international migration.<sup>3</sup>

Regional areas are addressing the decline in population by attracting international migrants with the 2016 Census showing that for many small towns, international migrants were the only source of growth and that nationally 151 regional local government areas were addressing population issues by actively attracting international migrants.<sup>4</sup>

Migrants are needed in the regions for both permanent settlement and to satisfy demand for temporary and seasonal work, both skilled and unskilled. Despite relying on migrants, visa changes have also made it less financially viable for businesses to bring in skilled migrants for jobs that local workers either cannot or will not fill. Businesses who wish to sponsor migrants for positions face substantial costs, red-tape and a complex visa system that is difficult to navigate. Many larger businesses have either in-house migration experts or can afford external representation; smaller businesses, who are the life blood of our regions, are unable to meet these costs and do not have the knowledge to navigate the system on their own. Initiatives such as the Skilling Australians Fund (SAF) are certainly well-intentioned, but in practice place a significant financial burden to bringing in a skilled migrant, with limited opportunity for a refund if that migrant is not capable of adequately filling the position.

Migration needs to be the strong driver of growth in South Australia. South Australia needs to attract skilled migrants to increase population and in turn drive economic growth. Our State is founded on migration and we encourage the government to review any policies and rules that limit migration numbers or make it less attractive to bring in skilled migrants to the state.

It is important that any policy changes not only look at attraction of migrants to regional areas, but also methods of retention. Australia's current migration policy aimed at attracting skilled migration to regional areas is failing with some regions losing over 60% of newly settled migrants within 5 years.<sup>5</sup>

Constantly changing rules don't benefit anyone. Once the right legislative environment has been set, it is important to have certainty of visa arrangements for not only the business community but also potential migrants. South Australia needs to position itself as a migration location of choice, not only over other areas of Australia, but internationally. Australia is considered an expensive and difficult place to migrate. This does not assist in attracting the brightest and best to South Australian soil. Our visa system needs to be stable and easy to navigate. Constant changes in visa policies and rules have left many confused and potential migrants will be unsure if their time and money invested will bring about a desired outcome.

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<sup>2</sup> ABS, '3101.0 Australian Demographic Statistics

<sup>3</sup> Ibid.

<sup>4</sup> Regional Australia Institute <http://www.regionalaustralia.org.au/home/migrant-workers-helping-grow-regional-towns/>

<sup>5</sup> Australian Research Council 'The Demographic Consequences of Migration to, from and within Australia' ANU School of Demographics. ANU Media 2019, Migrants leaving regional Australia at record levels, accessed 6 September 2019, <<https://cass.anu.edu.au/news/migrants-leaving-regional-australia-record-levels>>.

### **New visa requirements – November 2019**

The Temporary Skill Shortage (TSS) visa (Subclass 482) replaced the Temporary Work (Skilled) visa (Subclass 457) effective 18 March 2018. The changes to the TSS 482 visa have made it tougher for potential migrants to enter or stay in Australia, particularly for international students who complete their studies here. There are three streams to the TSS 482 visa – short term stream, medium term stream and labour agreement stream.

In order to address the issues in the subclass 482 visa on 16 November 2019 the Department of Home Affairs will introduce two new skilled regional provisional visas with a new permanent visa pathway from November 2022. The two new provisional visas will supersede two existing visas, including the 482, and will include some significant changes.

#### **New skilled regional provisional visas**

- Skilled Work Regional (Provisional) subclass 491 visa
- Skilled Employer Sponsored Regional subclass 494 visa

While some of the changes in the subclass 491 visa will increase opportunities for skilled migrants in regional Australia, there are still fundamental issues that need to be addressed if these regional visas are going to have an impact on regional migration.

The other significant issue is the requirement that applicants have at least three years of relevant work experience in their occupation prior to applying for permanency. This requirement is practically impossible for international graduates to meet, with many only eligible for a two-year post study work visa. Even students with a bachelor's degree including honours can only stay on this visa for two years and students must have a Master of Research degree to stay for at least three years, while a PhD offers four years. While we acknowledge that an extra year of post-study work rights for international graduates who graduate from a regional campus has been introduced, this requirement will still be difficult to meet, especially if the visa holder doesn't commence work immediately or has a gap between jobs. For the best long-term outcome for South Australia, future changes to the TSS stream is still needed.

### **Temporary Skilled Migration Income Threshold (TSMIT)**

Most employer sponsored visas require the employer to pay the same salary as an equivalent Australian employee working in the same role at the same location. This is known as the Annual Market Salary Rate (AMSR). In addition to the AMSR the Department for Home Affairs has imposed a minimum salary. The Temporary Skilled Migration Income Threshold (TSMIT) is calculated taking into account that visa holders do not receive all of the same benefits as Australian citizens, such as Medicare. This minimum salary is the cause of significant concern for South Australia. The TSMIT is set as an Australian-wide base salary and does not take into account regional variations. It is currently set at \$53,900, which Business SA believes is too high and deters regional employers from seeking skilled migrants. As an example, South Australia's average wage is 10% less than New South Wales and 20% less than Western Australia. <sup>6</sup>

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<sup>6</sup> <https://www.livingin-australia.com/salaries-australia/>; Australian Bureau of Statistics

Not only does South Australia have the second lowest average annual wage, it also has significantly cheaper living costs with recent statistics showing it costs 21% more to live in Melbourne and 23% more to live in Sydney than Adelaide.<sup>7</sup> With such a significant variation in wages and living costs across Australia, it does not make sense for the TSMIT to be so high or a flat rate across the nation.

Requiring regional employers to pay the TSMIT instead of simply a market salary or setting the TSMIT based on regional variations, sets an unobtainable wage floor in South Australia which is significantly above market salary for many occupations required in South Australia.

As a basis of comparison, the TSMIT is currently:

- 40 per cent higher than the national minimum wage;
- 20 per cent higher than the level 5 worker rate under the Horticulture Award;
- 17 per cent higher than the level 6 worker rate under the Food, Beverage & Tobacco Manufacturing Award;
- 13 per cent higher than the level 5 worker rate under the Wine Industry Award; and
- 5 per cent higher than the level C5 worker rate under the Manufacturing Award.

When the significantly higher rates of pay are combined with the high costs of visa sponsorship, the application of the TSMIT reduces the number of skilled workers coming to regional South Australian areas where wage pressures are more significant than metropolitan South Australia and the large capital cities such as Sydney and Melbourne.

Business SA is deeply concerned about the recommendations made in the Legal and Constitutional Affairs References Committee report into the 'Effectiveness of the current temporary skilled visa system in targeting genuine skills shortages', to increase the TSMIT to a minimum of at least \$62,000, and mandate that the rate of the TSMIT be indexed annually in line with the average full-time wage.<sup>8</sup> This recommendation ignores the submissions made by the regional employers on the effect of the already too high TSMIT and as such we support calls for the TSMIT to be reduced in regionally designated areas.

### **Skilling Australia Fund Levy Costs**

From a South Australian perspective, the additional costs and income thresholds which accompany the Temporary Skill Shortage (subclass 482 and its replacement subclass 494) visa negatively impact the attractiveness to consider skilled migrants for positions, with the Skilling Australians Fund (SAF) presenting the most pressing concern.

One of the biggest concerns for businesses is that the SAF, in most cases, is non-refundable if the application is not successful. Small regional businesses are not willing to invest significant money into a complex process when there is a chance that after paying money for an unsuccessful application, it will not be refunded, and they will not have filled the position.

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<sup>7</sup> Economist Intelligence Unit <http://country.eiu.com/australia>

<sup>8</sup> Legal and Constitutional Affairs "References Committee Effectiveness of the current temporary skilled visa system in targeting genuine skills shortages" April 2019 p xi.

Putting aside the non-refundable aspect of the SAF, the actual cost for businesses is prohibitive. A business with a turnover of less than \$10 million is required to pay a fee of either \$3,000 for Employer Nomination Scheme (subclass 186) visa applicants, or \$1,200 for subclass 482 visa applicants, per annum. What's more, the levy must be paid in full for each 12-month period a subclass 482 visa holder is sponsored, even if they are employed for less than 12 months.<sup>9</sup> This is in addition to all other visa costs associated with employing a migrant worker and is a significant disincentive for local businesses hiring migrants. While Business SA supports funding to support local apprentices and trainees, that funding should be a part of the Federal Government's ongoing commitment to vocational education, and not linked to migration policy.

Although Business SA is not supportive of linking vocational education funding to migration, we realise this is a policy that the Government is committed to. As such, we support ACCI's position as stated in their submission to the Senate Education and Employment Legislation Commission that the SAF fees be halved, so that small businesses pay only \$600 per year for subclass 482 visa holders (\$900 for large businesses), or \$1,500 for subclass 186 visa holders (\$2,500 for large businesses).<sup>10</sup> We also recommend refunding the SAF should applications not be successful.

### **Skills Assessment**

There is inconsistency between the visa classes on the level of skills assessment that is required. Currently the requirements are:

- Subclass 482 (TSS) – skills assessments for 25 occupations if the applicant holds a specific passport. If the applicant gained their skills in Australia and/or have Australian work experience, then they may apply for a waiver. This generally applies to previous subclass 485 temporary graduate visa holders.
- Subclass 489 – requires all applicants to have undertaken formal skills assessment

The new subclass 494 visa, which replaces the subclass 482 in November 2019 currently has no waivers. This is of significant concern to Business SA. The intention of the subclass 482 is to attract new migrants to regional areas and yet, as it currently stands, the skills assessment criteria are more restrictive.

The cost of a skills assessment can be thousands of dollars for some occupations and, when coupled with the many other costs of migration, are prohibitive. In instances where applicants have already proven their skills or have graduated in Australia, to Australian standards, this is an unnecessary requirement that only benefits the companies that provide the assessments. Business SA acknowledges that the policy detailing the skills assessment for the subclass 494 has not been released yet, and that within the policy the government has the opportunity to include waivers. Business SA strongly encourages the government to include the same waivers in the subclass 494 visa that are currently in the subclass 482. Waivers are an important part of the system to ensure that additional, unnecessary costs are not incurred.

### **Assessment of occupations**

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<sup>9</sup> <https://immi.homeaffairs.gov.au/visas/employing-and-sponsoring-someone/sponsoring-workers/learn-about-sponsoring/cost-of-sponsoring>

<sup>10</sup> Australian Chamber of Commerce and Industry. 'Submission to the Senate Education and Employment Legislation Commission regarding the Migration Amendment (Skilling Australians Fund) Bill 2017 and Migration (Skilling Australians Fund) Charges Bill 2017 – 15 December 2017,' pp 6-7.

Business SA supports the Australian Chamber of Industry's (ACCI) submission that highlights the difficulties with the various occupation lists that classify skills shortages and multiple visa classes. These classifications make it hard for small businesses, especially in the regions, to effectively navigate the migration system and access the skills they need. Unfortunately, the skills shortage assessment for employer sponsored migration does not align with business needs. The shortage experienced by an individual business in a particular location at a particular point in time cannot be identified by a national assessment or data set on skills shortages. In order to achieve a true picture of skills needs, the government must implement an assessment system that incorporates a rich and diverse data set that is able to remain relevant and updated to capture changing market conditions. This is even more apparent in regional areas where data sets are often sparse and inadequate, and the current skills assessment will not recognise them. Furthermore, there are specialist roles within occupations that the analysis of an occupation cannot accurately identify. The Australian skills lists may not recognise the practical skill set or education of a specific position that has previously never been seen in Australia.

In the situation where the skills data sets cannot pick up a nuanced shortage, there needs to be an avenue for employers to apply for an exemption after providing evidence that the role is not able to be filled in Australia. Business SA is not suggesting that the visa system be opened up for all jobs, but in specific situations there needs to be an avenue to address the need for new skills in Australia. The benefit to Australia of allowing visas for these applicants is significant as it allows for the skills to be passed on and retained locally.

### **ANZSCO Review**

The Australian Bureau of Statistics maintains and reviews the Australian and New Zealand Standard Classification of Occupations (ANZSCO). This list underpins a wide range of labour market data and is used as an occupation list to determine migration eligibility. Business SA is concerned that the ANZSCO has only been reviewed twice since its inception in 2006 (2009 and 2013) and is now six years out of date. There have been major changes to the economy and job market and without regular reviews, this list will not reflect technological progress and the changing nature of jobs. Business SA calls for funding for the ABS to conduct regular reviews of the ANZSCO to ensure changes in the job marketplace and technological progress is properly captured.

### **Labour Market Testing**

Businesses currently undergo great lengths to demonstrate that a position or positions cannot be filled locally before applying to sponsor a migrant through a temporary visa. This Labour Market Testing (LMT) includes proving that the business could not find an applicant in the entire country. This requirement leads to significant time delays and administrative compliance that prevents employers from recruiting for vacant roles which impedes on their businesses.

While Business SA is not arguing that employers should not have to justify why they need to employ a migrant worker, Governments still need to be mindful of how all the additional requirements and associated paperwork impact upon businesses, particularly small to medium sized employers and industries where it is well known that there is a



shortage of workers. Business SA also notes that the 2014 Independent Review into the integrity of the subclass 457 visa recommended that labour market testing be abolished, based on its unreliability and ineffectiveness.<sup>11</sup>

### **Designated area migration agreements (DAMAs)**

A DAMA is a labour agreement that provides flexibility for states, territories or regions to respond to unique economic and skill shortage requirements. Under a DAMA employers can sponsor skilled and semi-skilled overseas workers.

In lieu of greater changes to the broader migration program as outlined in this submission, Business SA encourages the use of Designated Area Migration Agreements (DAMAs) and acknowledges that the following have been set up for South Australia:

1. **Adelaide Technology and Innovation Advancement Agreement** – which focuses on Adelaide’s high-tech growth industries including defence, space, technology and advanced manufacturing industries covering the Greater Adelaide planning region.
2. **South Australian Regional Workforce Agreement** – which focuses on the South Australia’s regional high growth industries including agribusiness, forestry, health and social services, tourism and hospitality, construction and mining and covers the entire state of South Australia.

While Business SA supports the DAMAs, there is concern that they come with extreme and lengthy administrative burden for employers. The process currently requires:

1. Application to Immigration SA for endorsement;
2. Application for a labour agreement;
3. Application for the nomination;
4. Application for the visa.

The process of applying for a visa under a DAMA is lengthy and cost restrictive. The costs have been reported as high as \$15,000, which is a significant cost for a small business or a business that requires multiple employees.

There is also concern that the Adelaide Technology and Innovation Advancement Agreement only covers the greater Adelaide planning region. It appears a lost opportunity to prevent the advancement of technology and innovation in regional South Australia and encourage migration of a certain skill level only in the metropolitan areas.

### **Post-study work rights for international vocational education and training (VET) students**

International students graduating with skills and qualifications relating to an occupation on the Medium and Long Term Strategic Skills List (MLTSSL), including in the Vocational Education and Training (VET) sector, can currently be granted 18 months on a Temporary Graduate (subclass 485) visa.

The subclass 485 has two streams:

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<sup>11</sup> <https://archive.homeaffairs.gov.au/about/reports-publications/reviews-inquiries/independent-review-of-the-457-programme/response-to-integrity>

- **Graduate work stream** – For international students who graduate with an eligible qualification that relates to an occupation considered in-demand in the Australian labor market, according to the Skilled Occupation List (SOL). A visa in this stream is granted for 18 months.
- **Post-study work stream** – This is for graduates of all other disciplines. The length of this visa depends on your qualification. If you have a bachelor's degree, master's (extended) or master's by coursework degree, your visa is valid for two years. If you have a master's by research, the visa length is three years, while visas for PhD graduates are valid for four years.

The Australian government has announced that from November 2021, international students will be able to apply for an additional year on a second post-study work visa if they complete their higher education or postgraduate qualification in a regional area, and live in a regional area while holding a Temporary Graduate (subclass 485) visa.

This additional year provides overseas VET students with a maximum of 2.5 years post study work rights, compared to 3 years for a bachelor degree up to 5 years for a PhD graduate. South Australia's skills shortage includes trade and VET qualified positions and Business SA believes there should be more options for international VET students to extend their post-study work rights if they have undertaken study in an area of high demand.

### **The importance of families and community**

Although the Family stream of migration only represents a small part of the Migration Program and our focus has been on the Skills stream, Business SA recognises the importance of the Family stream, and the inherent interdependencies between the two.

Business SA members advise the significant importance of families for the successful settlement of skilled workers and that the single most important factor when determining if a migrant will remain in a regional area is the ability to bring their family with them. This is closely followed by a sense of community.

To be successful, any migration policy needs to be coupled with policies that offer long-term benefits to communities rather than short-term 'fixes'. Migrants tend to gravitate towards the cities due to job opportunities, well established transportation and service infrastructure, and existing communities from the same homeland. By requiring skilled migrants and their families to live and work for at least 2 and up to 5 years in a regional area, the policy intends that over that time regional migrants will have established sufficiently strong ties to their community to settle for a longer period. However, the statistics have shown that this isn't always the case. A strong economy and a job are not always sufficient to retain migrants in regional area as it overlooks the importance of family and community. Skills and jobs per se are not the sole reasons that people forge links and remain in the same community.

Regional communities who wish to retain migrants need well-developed social support infrastructure including schools, childcare services, religious activities, meeting places, sporting facilities and the opportunity to volunteer, all which give migrants an opportunity to build links with the community.

The partners of skilled migrants also need the opportunity to connect. Often, when children are at school a partner may be at home and isolated in a new country and a regional location. Outreach programs that seek out the new migrants need to be developed at a micro level through social participation in activities outside the home including

clubs and associations, volunteering, sports and recreational organisations, religious organisations, community or school-related groups, cultural, educational and hobby-related groups or service clubs.

In addition, community access to affordable broadband in rural areas is an essential part of attracting and retaining migrants. Australia is currently lagging other OECD countries in affordability ranking for entry level broadband services and this will seriously affect isolated migrants.<sup>12</sup> This lag needs to be addressed as well as mobile phone coverage. Business SA members, through our 2018 Regional Voice survey of more than 450 business, reported a need for improved mobile coverage. The ability to connect and communicate with members of family overseas and interstate will assist migrants with moves to regional areas. Telecommunications services levels were amongst the top five issues for individual business respondents in our 2018 Regional Voice survey and when businesses were asked about the top issues facing their region more broadly, telecommunications service levels came in at number six. This highlights the issue that regional areas are having with telecommunications and must be addressed to increase the attractiveness of these areas.

### **School fees in South Australia**

Not all the work needs to be done by the Federal government. Business SA, in our 2019 State Budget submission called for the State Government to abolish the public school contribution fees for temporary working visa holders in metropolitan areas.

Business SA recognises that the state government recently excluded regional schools from the measures introduced in 2017 by the previous government whereby all newly-arrived families accompanying a Temporary Work (Skilled) (subclass 457) visa holder, and who sent children to a public school, were required to pay an additional contribution fee of up to \$6,400 per child depending on gross income. This policy was extended in 2018 to all subclass 457 and all Temporary Skill Shortage (subclass 482) visa holders, regardless of when they arrived in South Australia.<sup>13</sup>

For metropolitan based temporary working visa holders, the contribution fee is applied once the visa holder's gross income reaches \$60,000 and is scaled upward until gross family income reaches \$80,000, when the maximum fees apply for the eldest child in the family, either \$5,300 to attend primary school, or \$6,400 to attend secondary school. Considering families where both parents work, and the minimum wage requirement of \$53,900 set by the Office of Home Affairs, breaching the \$60,000 threshold is not at all difficult.<sup>14</sup>

The Federal government has already acknowledged that visa holders should have access to similar benefits as Australian citizens and permanent residents. A Bill has been introduced in to Federal Parliament to provide access to welfare payments or government services to new skilled Regional visa holders of subclass 491 (Skilled Work Regional (Provisional) and subclass 494 (Skilled Employer Sponsored Regional (Provisional) as if they are holders of permanent visas and recognises that the visas provide a pathway to permanent residency.

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<sup>12</sup> The New Daily 2019, Australia ranks last in affordable broadband, accessed 6 September 2019, <<https://thenewdaily.com.au/life/tech/2019/08/28/australia-ranks-last-in-affordable-broadband/>>.

<sup>13</sup> Shamsheer Kainth. "New rules require 457 visa holders to pay for their children's education." SBS News, 02/01/17. <<https://www.sbs.com.au/yourlanguage/punjabi/en/article/2017/01/02/new-rules-require-457-visa-holders-pay-their-childrens-education>>.

<sup>14</sup> According to the Department for Education's student contribution fee calculator 2019, (as at 25 February 2019) <<https://www.education.sa.gov.au/parenting-and-child-care/your-childs-education/457-and-482-visa-holders/457-and-482-visa-student-contribution-fee-calculator-2019>>

These arrangements also ensure that provisional skilled regional visa holders are not disadvantaged compared to holders of permanent skilled visas available for people to work in metropolitan areas. The new provisional skilled regional visas are set out in the Migration. This is a positive step towards encouraging migrants to consider regional Australia.

Although Business SA commended the current State Government for abolishing these fees for children attending regional public schools, we also recommend that, considering the whole of South Australia is considered regional for the purposes of migration, the fees also be abolished for children attending metropolitan public South Australian schools. These fees, which are not universally applied across Australia, are a punitive measure which makes South Australia a less attractive option for migrant families. In light of the Federal Government's extension of regional status and the Bill before parliament to provide further rights to regional, temporary migrants, South Australia needs to make these school fee changes to ensure the focus on increased migration and population growth is as effective as possible.

## **CONCLUSION**

Immigrants have always been part of South Australia's economic fabric; successive waves of migrants from all over the world have made great contributions to the state's economy and social fabric. We only have to look at our food and wine industries as just one example of the benefits that migrants bring to the state more broadly, or how international students add to the vibrancy of Adelaide.

Detrimental changes to Australia's skilled visa system have resulted in higher fees, long processing wait periods, additional evidence and paperwork, and additional complexities that small businesses struggle to understand. As previously highlighted, South Australia's future population growth will be dependent on migrants and in order to ensure the states continued economic viability, positive changes need to continue. Over the years, changes to visa subclasses have reduced South Australia's attractiveness and while Business SA recognises that some of these negative policies have been addressed, not enough has been done to tackle the disadvantages migrant workers face when moving to South Australia or for our businesses face when trying to sponsor migrants. Higher fees and levies including the Skilling Australians Fund, combined with the Temporary Skilled Migration Income Threshold, have also made it significantly less viable for businesses to bring in skilled migrants. Other issues, such as skills assessment and labour market testing requirements, need to be addressed by the Federal Government.

Migration to Australia cannot be assessed only at a national level. South Australia experiences vastly different problems to the eastern states. While Sydney and Melbourne are working out how to deal with high population and rising living costs, South Australia is desperate to attract people to the state. The Federal Government needs to recognise the state-based nuances and ensure that future migration policy is set at a regional level. This will not only assist South Australia, but Australia as a nation.